



SAN FRANCISCO PLANNING DEPARTMENT

New Planning Code Summary: Inclusionary Affordable Housing Program Amendments

Amended Sections: 415 and 249.28
Case Number: 2017-001061PCA
Board File/Enactment #: 170834/208-17
Initiated by: Supervisors Breed; Kim, Peskin, Safai, Tang
Effective Date: December 3, 2017

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The Ordinance amended Planning Code Section 415 (as substantially amended, effective August 26, 2017) to revise the application of the Inclusionary Affordable Housing Fee and the On-Site and Off-Site Affordable Housing Alternatives in certain geographic areas within the City; specify additional criteria for required feasibility studies of areas subject to significant re-zoning actions; and clarify the provisions by which Off-Site projects may utilize tax-exempt bond financing. The Ordinance also amended Planning Code Section 249.28 to clarify the application of the Inclusionary Program within the Transbay C-3 Special Use District.

The Way It Was:

1. All projects over 10 or more units located within the Mission Planning Area, North of Market Residential SUD, and SOMA NCT districts were subject to specific inclusionary housing requirements of 25% or 27% for On-Site rental or ownership projects, respectively, or 30% for Off-Site projects or projects paying the Affordable Housing Fee.
2. The Planning Department, in consultation with the Controller, was required to undertake a study of any area, regardless of its size, that had been subject to a rezoning action after January 1, 2015 that resulted in an increase in permitted residential density above certain thresholds to determine whether a higher On-Site inclusionary rate would be economically feasible for projects in that area.
3. Off-Site Alternative projects seeking to utilize California Debt Limit Allocation Committee (CDLAC) tax-exempt bond financing were required to provide 25% of the off-site units as affordable to households at or below the 50% of Area Median Income (AMI) level.
4. Projects within the Transbay C-3 SUD were required to provide 15% of units as On-Site affordable units at income levels specified in the Transbay Redevelopment Plan.

The Way It Is Now:

1. For projects located within the Mission Planning Area, North of Market Residential SUD, and SOMA NCT the following inclusionary requirements apply:
 - Projects of **10 – 24 units** are subject to the same requirements as smaller projects in the rest of the City; these projects are subject to a Fee or Off-Site Alternative requirement of 20% of units or an On-Site Alternative requirement of 12% of units, as increased annually by 0.5 percentage points until the rate is 15%.
 - Projects of **25 or more units** are subject to the same Fee or Off-Site Alternative requirements as larger projects in the rest of the City of 30% for rental projects or 33% for ownership projects. The On-Site Alternative requirement for larger projects in these areas remains 25% for rental projects or 27% for ownership projects.
2. The Planning Department, in consultation with the Controller, is required to undertake a feasibility study for areas that were rezoned for higher permitted residential densities after January 1, 2015, only if the rezoned area is greater than 5 acres in size.
3. Off-Site Alternative projects seeking to utilize California Debt Limit Allocation Committee (CDLAC) tax-exempt bond financing are required to provide at least 60% of the off-site units as affordable to households at or below the 55% of Area Median Income (AMI) level.
4. Projects within the Transbay C-3 SUD are required to provide On-Site inclusionary units at the *higher of* either the requirement specified in the Transbay Redevelopment Plan or Section 415.6(a) of the Planning Code, at income levels specified in the Transbay Redevelopment Plan.

Link to Signed Legislation:

<https://sfgov.legistar.com/View.ashx?M=F&ID=5539744&GUID=9F25FF0A-3FD1-4F22-A5D1-1C94CCA0E779>